

Budget Committee Minutes 1/3/09

Contributed by Lisa Fellows-Weaver
Thursday, 19 March 2009

Budget Committee

Minutes

January 3, 3009

Official as of February 7, 2009

Chairman Daniel McNally calls the public session to order at 9:00 a.m.

PRESENT: Chairman Daniel McNally, Vice-Chairman Robert Holden, Selectmen Representative Alden Dill, School Board Representative Colleen Pingree, Robert Bailey, Nona Holmes, Kate McNally, Lucy Edwards, Herb Johnson, Board Administrator Linda Smith, and Board Secretary Lisa Fellows-Weaver. John Jacobsmeyer arrives at 11:00. Babette Morrill arrives at 1:05 p.m.

ABSENT: Ken Rick-excused, Shelley Bobowski, Kevin Ash, and Ken Witham.

PUBLIC PRESENT: Bunny Behm, Ginger Dole, Ellen Gibson, Jim Vaillancourt, Alen Correa

SCHOOL BOARD MEMBERS PRESENT:

Principal Esther Asbell, Interim Superintendent Michael Ledlow, Finance Administrator Karen Taylor, Special Education Director Jean Persons Interim Business Administrator Allen Demko, school board members Janabeth Reitter and David Ruth.

SCHOOL PUBLIC HEARING:

Ms. Pingree explains that Ms. Asbell will be providing an overview of the school's proposed budget dated 1/2/09. Ms. Dole states that the budget is the school board's budget not the principal's budget. Mr. McNally states that past practice is that the school board presents the budget. Ms. Pingree replies that she will be happy to present this year's budget and begins by noting areas of increases and decreases throughout the programs. She refers to the notes provided in the actual budget document and general discussions are held regarding the following departments:

Pages 1-4: Dept. 1100~Regular Education

Page 1: Line: 1100-5110-201~Teacher Salaries:

Ms. Pingree explains that negotiations are currently in progress with the teachers; therefore, there are items in the budget that will be affected by these negotiations. She states that there are also six administrative positions that are not covered by the collective bargaining agreement so the salaries of the six positions may change and the board decided not to include any increases for the 6 people until after negotiations were completed.

Ms. Behm asks about step increases being projected in the budget. Ms. Pingree replies that the only thing that has been included is longevity. Ms. Behm refers to the Evergreen Clause, which is in reference to giving step increases whether negotiations are completed or not; therefore, step increases are no longer a negotiated item. Mr. Demko adds that the Evergreen Clause will take effect once this contract negotiation is completed so for years 2011-2012 when there is no contract, step increases would have to be included.

Page 1: Line: 1100-5211-000~Health Insurance:

Ms. Pingree states that health insurance has been projected at a 7% increase this year and dental insurance at a 3.7% increase.

Ms. Behm asks why the cost of health insurance appears to have decreased. Mr. Demko explains that upon his review of the financial statements he found that the food service department's health insurance was included within the general fund under the regular education, department 1100. This has now been transferred from the 1100 department to the Food Service Operations/3120 thus reducing this line.

Ms. Asbell adds that when the budget was created last year, the figures provided for health insurance were an increase estimated between 8-9% and that is the amount that was approved by the town. In the end, the amount came in less at approximately 4%.

Page 2: Line: 1100-5561-000~Tuition-Other Public Schools:

Ms. Behm asks if the figures provided are an appropriation for the tuition for public schools. Ms. Asbell explains the process of placements and transferring a student to another high school.

Pages 2-4: Various Supply Lines:

Ms. Asbell explains the increases associated with supplies. She explains that the art supplies increase is due to the general cost of supplies increasing as well as increases related to shipping costs. She states that there have not been any new programs added. She also explains that the decrease for language arts-reading supplies reflects the completion of a reading program that was purchased over the past two years. Ms. Asbell states that the supply line for health-PE has decreased and the costs associated represent health supplies. With the math supplies, Ms. Asbell explains that the dramatic increase is based on the request to purchase and implement a new math program for K-5. She adds that a specific program has not been chosen yet; however, she feels that the budgeted figure would be appropriate. Testing supplies have increased due to increases per student assessments. She adds that another increase is for supplemental textbooks, which is a result of the Spanish teacher who requested to purchase story books for the K-8 world language program. Ms. Asbell notes the new furniture line and explains that the increase is due to the need of storage cabinets for art room supplies. She states that there have been some safety issues noted by the fire department and it has been recommended to purchase an additional large storage cabinet. She adds that chairs are also included in this line as there are not enough chairs to service all of the students. Currently they are moving chairs around during the day from class to class to provide enough seating for students.

Ms. Asbell mentions that there are decreases in many supply lines and specifically notes science, music, enrichment, general supplies, and social studies. She explains that the teachers are trying to utilize existing materials. In closing, she states that the figures provided are based on a need and she feels that the teachers did a very good job in requesting only necessary items.

Page 1: Line: 1100-5219-020~Health Insurance-Buyouts:

Ms. Dole refers to the health insurance buyout and asks about the tax deductions. Ms. Smith states that the insurance buyout is classified as income and is taxed. Ms. Pingree states that the school board will check into this question.

David Ruth asks if the budget committee meets with CBNA regarding their budget. Mr. McNally replies no and explains that CBNA is not a public entity and this is not a function of the committee.

Pages 4-7: Dept. 1200~Special Education

Ms. Pingree provides a line by line overview of this department and refers to the explanations provided.

Page 6: Line: 1200-5569-000~Spec. Ed. Tuition-Non-Public Schools:

Ms. Dole asks if the summer program for K-12 students noted in this line is a new program and asks how many students participate in this program. Ms. Asbell replies that there are no new amounts at this time; this is determined in April. She explains that this is a minimal program and the number provided is an average number. An accurate student participation number will be provided.

Page 7: Dept. 1310~Vocational Education

Ms. Pingree explains that there are currently no students involved within this program.

Page 7: Dept. 1400~Enrichment

Ms. Pingree explains that they are no longer using these categories and this section will be zeroed out over time.

Pages 7-9: Dept. 1410~Co-Curricular

Ms. Pingree reviews this section and notes that the science camp is proposed to be funded through the budget this year via the student activity fund. She adds that the board feels that this is curriculum based.

Page 8: Line: 1410-5500-001~Science Camp:

Ms. Dole asks if the \$17,000 is an estimate. She states that times are tough and to spend \$17,000 on a camping trip plus all of the associated travel expenses and salaries for staff seems like a luxury. Ms. Pingree replies that she believes the figure is an estimate at this time and is calculated for 60 children.

Pages 9-10: Dept. 1420~Athletic

Ms. Pingree briefly reviews this department referring to notes provided. She states that officials/umpires/referee's rates have increased.

Ellen Gibson asks if the pay to play fees will be assessed again and where this would be reflected within the budget. Ms. Pingree replies that the team fees of \$25. per player will be continued and it has been easy to implement without too many complaints. She adds that these fees will be shown as revenues.

Page 10: Dept. 1430~Summer School: Literacy Connection Project

Ms. Pingree states that this program is contingent on a minimum of at least 12 students.

Page 10: Dept. 2112~Truant Officer

Ms. Pingree states that the vice principal functions as the truant officer and there is no money associated with this department.

Pages 10-11: Dept. 2120~Guidance

Ms. Pingree refers to an additional handout provided explaining a survey, "The My Voice Survey", previously funded through a grant. This grant is no longer available; however, the school board feels strongly that the survey should be continued to be completed.

Page 10: Line: 2120-5330-000~Standardized Testing

Ms. Asbell explains "The My Voice Survey" which is designed for students, parents, and staff, provides information to be a forefront for changes to occur and be implemented. She states that from the surveys, information and results obtained; they can see how the school is supporting the eight conditions of the program so that student aspirations can continue to be met. She adds that this is part of the Follow the Child initiative that the school began in 2006 with the hopes that overall there will be an increase of success at the school in academics. She states that scores have increased over the year and the school has made changes as well as seen an increase in academic progress. She feels that this has been very useful information at a low cost and notes that this program was previously funded by the state.

Page 10: Line: 2120-5110-000~Guidance Salaries:

Alec Correa asks about the mandate for two guidance positions and the implementations of guidance programs. He asks if this program is a funded or unfunded mandate of the state. Ms. Asbell explains that the ratio for counselors and students is different for elementary and middle school. She states that the middle school ratio is 1 counselor per 350 students. She states that this is not a funded mandate from the state and is part of the school process.

Page 10: Line: 2120-5330-000~Standardized Testing

Mr. Vaillancourt states that the survey is an excellent idea and appreciates that it is being used. He asks if the results of the survey are public and requests that if there is an item in the budget that is connected to "The My Voice Survey", that item be noted so that the public can see the relation and how it is being applied to the budget items.

Page 10-11: Line: 2120-5610-000~Guidance Supplies

Ms. Pingree continues with the guidance department and notes that under the supplies the posters reflecting the school's mission statement could be an item related to the survey. She adds that the books, line 2120/5641, are also an item related to "The My Voice Survey".

Pages 11-12: Dept. 2130~Nurse

Page 11: Line: 2130-5110-000~Nurse Substitute Wages

Ms. Dole asks about the classification of the nurse substitute. Ms. Pingree replies that the assistant is an LNA and with substitutes, they try to get the most qualified person for coverage. Ms. Asbell adds that they try to get an RN as an RN can dispense medications. She further explains that there is an MNA on staff who can dispense and in the event that there is not a medical replacement, the principal can distribute meds.

Ms. Dole asks how long the nurse assistant has been on staff. Ms. Asbell replies that she just started this year. Ms. Dole asks why the step increase as typically new personnel would be on the bottom step. Ms. Asbell explains that the step placement is based on experience.

Page 12: Line: 2130-5737-001~Replacement of Equipment

Ms. Pingree notes that this is for the replacement of the oral thermometer and the ear thermometer, both totaling \$181.50. Ms. Dole asks how many thermometers are being replaced. Ms. Asbell replies the purchase order is for a Braun Thermoscan Pro 4000, which is an oral, electronic thermometer. Ms. Dole states that from experience she knows that the tympanic thermometer is around \$30 and the other is approximately \$70. She suggests using a vendor other than the school vendor, which is costing the town more than what is necessary.

Pages 12-13: Dept. 2140~Contracted Services

Line items are reviewed and explained. The committee has no additional questions to ask.

Page 13: Dept. 2150~Speech

Page 13: Line: 2150-5323-020~Contracted Speech Services

Ms. Pingree explains that this department covers one full time speech pathologist with benefits and one 7/10 speech pathologist. Ms. Behm states that she thought that these employees were in the SAU budget and the school district reimbursed the salaries. Ms. Asbell adds that the pathologist only works at NES, full time. The .7 staff is also for NES only and this position does not receive any benefits. Ms. Behm states that she thought this was a contracted position through the SAU and she adds that the SAU has in the past covered benefits through their budget, which is then billed. Mr. Demko states that he believes that the total salary and benefits does generate from the SAU office and is then billed

back to the Northwood school district, which is why it shows up in the school's budget.

Pages 13-14: Dept. 2210~Improvement of Instruction
Presented and no discussion is held.

Pages 14-15: Dept. 2213~Instructional Staff Training

Page 14: Line: 2213-5322-002~Staff Development Workshops

Ms. Asbell explains that the increase is a result of the district being in need of improvement. She states that there is grant which now covers a math coach and some curriculum work has also been done with the grant. She further explains that if the school makes AYP again, the support may disappear. She adds that if the school should make AYP in math, then the school will not receive the funding; therefore, she has requested the increase in this line.

Ms. Dole states that she has noticed these increases for this department and asks when the bulk of these trainings and reimbursements occur. She adds that she requested a copy of the latest approved financial statement from the SAU and it does not show much being spent from these lines. Ms. Asbell states that she received \$20,000 in grant money and she is not sure if the grant funding will be received again. She explains that the total amount is based on the school's improvement and the funds from the state can be reduced every year. Ms. Asbell adds that she has budgeted; however, is hoping to get the grant again this year. She adds that the actual allocation of funds is not known until the summer.

Page 15: Dept. 2220~Media

Ms. Pingree notes that this is the library and there are increases in supplies.

Page 15: Line: 2220-5640-001~Library Books

Ms. Pingree explains that last year's request was approximately \$6,500 and the board did cut this line in March. She adds that the librarian has accumulated funds in the student activity fund from book sales and is asking for \$3,000 and plans to fund any additional funds needed by the student activity fund. Ms. Pingree notes that this is also an item from "The My Voice Survey";.

Pages 15-17: Dept. 2225~Computer Instruction Services

Ms. Pingree reviews the lines and notes. A technology plan for 2008-2011 has been provided and noted. No further discussion is held.

Page 17: Dept. 2310~School Board Services

Ms. Pingree explains that in March the school board had cut their salaries to \$0 and board members kept a record of time and out-of-pocket expenses. After some discussion, salaries were included in the proposed budget.

Page 17: Line: 2310-5330-001~School District Auditor

Ms. Behm asks if the figure provided is an agreed figure. Ms. Pingree states that the school board is planning to go out to bid this year.

Page 17: Line: 2310-5580-101~Travel Reimbursement

Ms. Pingree notes that this line is now for expenses related to the school district treasurer and has been separated out from School Board Expenses, line 5800/001. She adds that there is no increase. She further explains that the school board expenses would be to cover sending flowers, the school board's teacher's luncheon, etc.

Page 17: Line: 2310-5330-002~Attorney & Negotiator

Mr. Vaillancourt asks why the negotiation costs are less. Ms. Pingree states that there were no negotiations last year. Ms. Asbell adds that the funds applied in last year's budget were for this year's negotiations. She adds that there will be negotiations again next year for the paraprofessionals.

Page 17: Dept. 2321~S.A.U. #44

Ms. Pingree states that the SAU budget will be provided at the next meeting.

Pages 17-20: Dept. 2410~Office of the Principal

Page 18: Line: 2410-5531-000~Telephone

Ms. Asbell refers to a handout regarding the current telephone system. She explains that this system is nine lines and no longer is being manufactured. When there is a problem with a phone a reconditioned phone is provided. She states that there are times when the reconditioned phones have not been readily available. She states that this process is not cost effective and the system should be replaced.

Page 19: Line: 2410-5430-000~Repairs and Maintenance

Ms. Dole asks why the board is anticipating a need for an increase if nothing was spent so far this year. Ms. Asbell explains that they have had some problems with shredders and equipment this year. She states that the budget line will not be used; however, they need to budget for the items in anticipation should the equipment break.

Page 20: Dept. 2510~Fiscal Services

Ms. Pingree reviews the lines and notes. She briefly notes that there is a decrease overall in this department based on the new position as the position is a salaried position and there is no overtime. She adds that the salary may change based on negotiations. Ms. Pingree states that they are trying to show break downs of health and dental insurance; however, are unable to when there is only one person in the position due to the privacy acts. No further discussion is held.

Pages 20-23: Dept. 2620~Maintenance and Operations

Page 21: Line: 2620-5120-002~Custodial Overtime-Mowing

Ms. Asbell explains that this line has been reduced based on the fact that the recreation department and other community organizations have assisted and will continue to assist with the maintenance of the fields.

Page 22: Line: 2620-5624-000~Fuel Oil

Mr. Curley asks about the cost of oil and if the SAU contract is at \$3. per gallon. Mr. Demko states that there is a current contract for this year and the school will probably go out to bid during June or July for the 09-10 school year. He adds that this is an estimate.

Page 21: Line: 2620-5737-001~Replacement of Equipment

Dave Ruth explains that a facilities committee was formed and is now coordinating repairs. He refers to a sheet with estimates provided in the additional budget materials. Mr. Ruth explains that the flooring in the multi-purpose room, now mainly the cafeteria, is deteriorating, cracking, and chipping and could contain asbestos. He states that by re-doing the floor the asbestos can be sealed in. Mr. Ruth states that they have been able to utilize current custodial staff for the prep work of the floor; therefore, allowing some saving before the contractor begins.

Mr. Ruth also notes that the \$2,500 proposed to replace the block lights along the back wall was supposed to have been replaced when one of the additions was done. He states that they are currently not working properly and are beginning to corrode. This is not a safety issue and this has now been added to the budget as a regular item.

Page 23: Dept. 2630~Contracted Service-Rubbish Removal

No discussion is held.

Page 23: Dept. 2660~Contracted Service-Fire Alarm Service

No discussion is held.

Page 23: Dept. 2690~State Mandated-Water Testing

No discussion is held.

Pages 23-24: Dept. 2721~Elementary School Transportation

Ms. Pingree notes that this is the final year of the contract. No further discussion is held.

Page 24: Dept. 2722~Special Education Transportation

Ms. Pingree notes that this is the final year of this contract as well. No further discussion is held.

Page 24: Dept. 2724~Athletic Transportation

No discussion is held.

Page 24: Dept. 2725~Class Field Trip Transportation

Page 24: Line: 2725-5519-002~Science Camp Transportation

Ms. Behm asks how many busses are used for science camp transportation. Ms. Asbell explains that they budget for two busses in case a trailer is not accessible to transport the students gear. She adds that this year the transportation has been cut.

Ms. Dole states that she has added up the figures related to science camp and the total is \$4,680. for 4 days, 3 nights for 60 students. In that amount is \$900. for stipends for staff. She expresses concern with the amount of money involved for this event and requests that the board revisit the issue since people are losing their homes and their jobs.

Page 24: Dept. 4200~Architect and Engineering

Ms. Pingree notes that this is in a warrant article and no additional discussion is held.

Pages 24-25: Dept. 5100~Payment of Interest

No discussion is held.

Page 25: Dept. 5251~Transfer to Capital Reserve

Ms. Pingree states that this department includes the transfers to the capital reserve funds from warrant articles.

Pages 25-26: Food Service

Page 25: Dept. 3120 Food Service Operations

Ms. Pingree states that the major change in this section is that the benefits have been moved from the general fund, Dept. 1100, into the food service department.

Page 26: Line: 3120-5800-000~Other Expenses

Mr. Demko explains that this line would cover small utensils, replacement of barrels on a regular basis, and plastic covers for bins, etc.

Mr. Vaillancourt asks about the proposed food budget and notes that the food service budget overall is a decrease. Mr. Demko states that there is a new director and last year a salad bar was introduced. He adds that there will be more opportunities to participate in food surplus and to also work in conjunction with the other food directors within the district. He states that the director feels confident that she will be able to keep food costs down. Mr. Demko explains that there has been a decrease in the participation of the school's lunch program. He adds that the director feels that the proposed figure of \$47,000 can be obtained.

Mr. Demko states that they know that the program is losing money and they will need to look at staffing issues, what is being served, possibly cutting down on expenses, and the fact that they may need to increase the cost.

Mr. Demko provides an explanation of the new software. He also explains the program rules for the state's free and reduced lunch programs available. He notes that another alternative may be to form a committee for further review or having an outside service come in.

Mr. Vaillancourt states that if this type of creativity just described for food service alone can be done and applied to the entire process, many residents would be very pleased.

Ms. Behm notes that much information was distributed today at this meeting. She asks about previous budget committee policies regarding receiving all information seven days prior to the meeting to allow ample time for review. Mr. McNally replies that the school board was still formatting their budget as of Wednesday. Ms. Behm asks if the committee can act on the budget today. Mr. McNally replies that the committee will discuss this in the work session. Ms. Behm adds that the back up that has historically been requested also has not been provided.

Mr. Vaillancourt refers to page 1 and states that at the beginning of the meeting health and dental insurances were discussed and a decrease was noted in the amount of \$307,000. He explains that he has found the following notations to insurances:

Dept. 1100, \$563,000. is noted

Dept. 1220, \$180,000. is noted

Dept. 3120, \$39,000. is noted

He states that there is \$88,000 missing. He adds that the dental totals \$4,000. Ms. Asbell explains that when the budget was created last year, figures were provided to be an anticipated increase of 8-9% for health insurance and 6-7% for dental. These amounts were approved and in May the actual figures came in at a 4-5% increase.

Mr. McNally calls for a 10 minute recess. Session resumes at 10:15.

Ellen Gibson states that in past years the public has seen salaries for the upcoming year showing an increase and they were a potential salary. She states that this year's budget shows a zero increase. Ms. Pingree replies that the board decided that it was important to complete negotiations before deciding what to do with other salaries. Ms. Behm asks what will occur if they do not settle. Ms. Pingree replies that the board will address what to do relative to the non-contractual six positions. Further discussion is held and Ms. Pingree states that the board intends to complete negotiations by the end of January and will put everything into the budget. If not completed, there is a warrant article for a contingency meeting.

Ms. Behm asks about the non-union salaries. Ms. Pingree replies that they would be placed into the budget.

Ms. Dole states that at last year's school district meeting, the budget was cut by \$256,000; yet, using the one year prior adopted totals from what has been proposed there is a difference, \$97,000 short. She asks if the school board has a list of where the cuts were made totaling \$256,000. Ms. Pingree replies that she can provide the list of items and it did total the \$256,000. Further discussion ensues and Ms. Pingree reflects items such as the increase of the dental and health insurance as they were based on estimates. Mr. Demko refers to page 25 and notes that there was a warrant article passed and states that \$50,000. was put back into the budget, the math program, and courtyard. He states that with that the figures should equal the difference discussed.

Ms. Pingree adds that as far as the time frame of materials being provided, she states that there was a snow storm that cancelled a work session for the budget and the ice storm left the SAU without power. She states that she feels that the school board did the best they could do and members did take time off from work and proceeded with the budget. She states that they worked very hard to meet the deadlines. She adds that she called the chair and vice chair, as well as the board administrator, who all agreed that she should come today and proceed with the process and then decide to

proceed after the public hearing. She states that there were many extenuating circumstances.

Warrant Articles:

Ms. Pingree states that the articles are draft and are pending reviews from the school's attorney and the Department of Revenue Administration.

Ms. Pingree reviews the warrant articles as follows:

1. School Operating Budget: No discussion is held.
2. Collective Bargaining Agreement: No amount has been provided and no further discussion is held.
3. Special Meeting: No discussion is held.
4. \$10,875. Lighting Proposal: Mr. Ruth explains that the proposal is to install 31 energy efficient fluorescent light fixtures in the cafeteria and gym for \$10,875. He states that PSNH allows \$100. for each energy efficient fixture purchased, which will be \$3,300. He adds that there is an estimated savings annually to be \$3,500. He states that there will be a payback within two to three years and the school will gain this savings every year after that.
5. \$16,300. Heating Upgrade Proposal: Mr. Ruth explains that the proposal is to replace heating controls to save money. He explains that the controls are for classrooms for grades 3-8. He adds that this system would allow for better regulating of the heat in the various additions. He states that they are trying to plan for the future and this will have a payback within 3-5 years and this will be more energy efficient. He notes that this also includes labor to install.
6. 25,000. Capital Reserve Fund—RSA Ch. 35: No discussion is held.
7. \$25,000. Capital Reserve for Capital Improvements: No discussion is held.
8. \$100,000. Roof Repair: Ms. Pingree explains that the entire project total is \$200,000. The board feels that this amount is not reasonable this year and the proposal has been changed so that the funds can be raised in two years.

Ms. Pingree notes that the school board has also discussed another article relative to the school board being agents to expend funds from the capital reserve funds in case of emergencies.

General Discussions:

Ms. Dole asks about the quotes provided. Ms. Pingree replies that the board obtained a single quote for budget purposes and will follow the normal budget process and will go out to bid.

Ms. Behm asks how the fees will be addressed and paid for relative to the on-going legal issues and if there will be a supplemental warrant proposed. Ms. Dole states that there are no financial statements and it is difficult to determine what is being anticipated. She asks if the board is planning on having a savings in the current operating budget to cover funds for legal and attorney fees. Ms. Pingree replies that the board anticipates paying the legal fees out of this year's budget. Mr. Demko adds that the fees will be cost shared and the share for Northwood would be in the high \$30,000.

Mr. Vaillancourt asks if it would be possible to draft a budget with a 0% increase to see the frame work of a level funding budget. Ms. Pingree states that the school board is presenting a budget with a 2.57% increase. She states that the school is putting forward a conservative and financially responsible budget and is a minimal amount of what the school board feels that the school can run on. She suggests that the public draft what they feel a 0% increase budget would look like.

Ms. Dole states that there is a recession ongoing and many people have lost their jobs and homes, and their hours are being decreased. She states that the school board is charged with providing a quality education for the students, there are ways to do this economically and she adds that she does not see that occurring in this budget. She requests that the school board and the budget committee scrutinize the budget. She states that the proposed budget is another \$316,000 plus contracts and warrant articles. She states that she also has additional concerns regarding legal costs and the fact that any state and federal grant money that was misused may need to be paid back. She states that the money needs to be offset; there is only so much money.

Ms. Behm states that looking at the bottom line she understands the savings that have been addressed with health insurance and notes that the difference is special ed. Ms. Behm requests copies of the school's financial statement.

With no further discussion, Mr. McNally closes the public hearing portion of the school's budget at 11:26 a.m.

Other:

Mr. McNally states that the information is to be provided to the committee ahead of time. He asks the school board if they had enough members for a quorum and came to a consensus on the budget. Ms. Pingree nods yes. Mr. McNally asks if the school board took a vote to recommend the budget and asks what the count was. Ms. Pingree replies that the count was 3 in favor out of 3 members attending.

Mr. McNally asks the budget committee how the committee would like to proceed. Ms. McNally states that a lot of information has been provided today. She states that there is a reason that the information must be received in advance. She states that she is not clear if all of the information has been presented to the committee and is uncomfortable in trying to make any type of accurate decisions without time to review. Ms. Pingree states that at the last budget committee meeting the committee decided to not follow the hearing with a work session as the principal was not expected to be present. She adds that it was her understanding that the committee would discuss items related to the student activity fund, food services deficit, and special ed. overages. Ms. Pingree states that at the December emergency meeting she stated that the principal would be attending but no final decision on the work session was made.

Ms. Pingree states that financial statements have been provided; student activity statements, revenues, and other documents have been provided today. Ms. Holmes asks if the results of the forensic audit are available. Ms. Pingree states that the auditors will be attending the January school board meeting and will present the final results of the audit, then the school board will present to the public.

Kate McNally makes a motion, second by Bob Bailey, to not proceed with a work session on the school's proposed budget as presented today due to the fact that information is missing and has not been provided within the required time frame. Mr. Holden states that this is the first day beginning the new budget and the start of the budget process where the committee reviews and tries to understand the data. He states that the fact remains that this is an opportunity to gather some information, share ideas, and ask the school board for additional information and the committee should take advantage of the opportunity. Ms. McNally states that she has not reviewed the data and is unsure if she would be able to ask questions. Ms. Edwards states that she would like to review the information that the school board has provided with the school board. She feels that it would begin the process and now would also provide a chance to review the packet and see if anything else is missing. She feels that waiting until Monday will slow down the process. VOTE: YES: RB, NH, KM, LE, DM. NO: RH, AD, CP, HJ. Motion passes; 5/4.

Mr. McNally states that the proposed budget will not be discussed today; however, the outstanding information will be and is distributed.

Janabeth Reitter requests to move the date of the meeting from Monday, January 12 to Wednesday, January 14, due to the fact that the school board has a meeting on Monday. Mr. McNally states that the schedule was created and discussed at a meeting and was approved at that time. He notes that time may run out if the meeting was rescheduled. After discussions, it is determined that the Monday evening meeting will proceed as scheduled.

Current 08/09 School Budget Discussions:

Food Service

Mr. Demko explains the provided sheet, which shows that the health care and dental benefits for food service employees were allocated within the general fund, the 1100 department, and should be allocated in the fund specific to food services.

Mr. Demko explains that there has been a negative balance in the food service department. He states that the overall deficit is \$59,661. He recommends that the meal prices be increased for breakfast and lunch in order to correct this issue, which the school board will need to address. He adds that the volume will need to be increased and/or the meal options may need to be changed. He also notes that there may need to be a change in staffing.

Mr. Demko states that there are companies available that can come in and assess the current functions and could take it over to remove the burden and then the company would maintain the school's food service program. He states that the final product is that the tax payers are paying for this service and the goal is to make sure that the food service department is an equal funded department of revenues and expenditures.

Mr. Demko states that DRA states that if the food service funds are in the negative, then the general fund has to compensate the food service fund to balance out the food service to \$0. He states that what they are trying to do is to define and see the problem and come up with revenues to bring it down through various methods. This would be done through more participation in the program, more free and reduced meals. Mr. Demko explains that the state provides reimbursement for the lunch program and he adds that the more students that go through the program would help reduce the negative balance. He adds that the school must provide a food service to the students of some kind; it may not have to be at the extent that is being offered now. He adds that there are federal and state requirements that must be met in order to receive funding.

Ms. Pingree states that the school board is just beginning to review the information and will continue to discuss how to address the problems.

Mr. Johnson states that it appeared last year that food service employees were receiving benefits. Ms. Pingree replies yes and adds that they are still receiving these benefits. She explains that this issue was not understood in the past. She adds that this is a contract issue that will be completed through the end of this year and the contract will be up for negotiations next year. Mr. Johnson suggests that the employees pay a percentage of their benefits. Ms. Pingree replies that the employee does pay a percentage.

Ms. McNally asks if the part-time employees receive prorated benefits. Ms. Pingree explains that there is a difference with hours. She explains that 6.5 hours constitutes as full time in the realm of paraprofessionals in the school. She adds that there are also some employees that work 4 hours per day and they receive pro rated benefits. Ms. Pingree states that benefits have been addressed with the budget committee in past years and in the past the information presented was not clear showing that the school was operating the food service department with a deficit. She adds that based on information and reports provided to the school board last year, the school board voted to purchase the salad cart as the information showed that there was a revenue and in fact, there was a deficit.

Discussion ensues regarding the length of the deficit. Mr. Demko states that he has reviewed the financial statements back through 2006 and there was a deficit shown at that point. Additional discussion is held regarding the amount of lunches served. Mr. Demko states that there are 250 meals served per day totaling 46,000. He further explains that the state reimburses the school for free and reduced lunches. If a student has a free lunch, then the school receives \$2.74 and if the lunch is reduced, which costs the student \$0.40, and then the school receives \$2.30. Mr. Demko states that the food service director is new and is creative. He adds that she plans to work with the other school district food service directors, too.

Recess

Mr. McNally calls for a recess at 12:10 p.m. Session resumes at 1:05 p.m. and Babette Morrill is present.

Mr. McNally requests an additional explanation of the benefits and the location in the budget. Ms. Pingree states that the benefits for food service were allocated in the teacher benefit line and are now back in the food service department.

Budget Summary

Mr. Demko reviews another handout, a budget summary. The figures are reviewed and he states that the general fund budget increase is 2½%, not including the warrant articles. Food service is an increase of 21.8% over the previous budget and the grand total increase 2.7% increase.

Revenues

Mr. Demko explains the revenue sheet provided. He states that the current revenues for 08-09 are listed per departments per the MS 24 report. He also explains the 09-10 budget estimates. As far as state aid submission, Mr. Demko states that this figure will not be known until the summer as the MS 24 is submitted in September.

Mr., McNally asks if the school is still anticipating a fund balance of \$150,000. Mr. Demko states that the school is 4 months into the year and a final student enrollment needs to be obtained for more accurate figures. He notes that this is unknown and hard to predict. He would prefer to state \$0.; however, typically there appears to have been a fund balance.

Student Activity Fund

Another handout has been provided for the activity fund. Ms. Pingree states that the balance is over \$62,000. She states that Ms. Taylor has just obtained the information and is currently working on prioritizing this. Ms. Taylor explains that she has based the information on bank statements and cash receipts. She states that the first priority of the analysis is to focus on the student program line as this has been a miscellaneous category. She plans to review this and determine if there were one-time activities or if there is repetitive activities that should be listed separately.

Ms. Taylor states that items not reflected in the sheet would be revenue or cash received from vending machines. She will begin to review and determine if the extra money is from interest on the bank statements, vending machine sales, from surplus from fundraising events, etc. She states that it is her goal to identify why the account has grown over the past few years. She adds that there may be funds from box tops and she plans to add a line for the PTA.

Ms. Taylor provides an overview of the software installed in 1999. She explains that she has gone back and created an analysis of the increases. She plans to create and organize the data better and determine how much of the money is surplus, unrestricted appropriations, and determine what the purpose is for each event and the fund balance of each specific group. Ms. Taylor states that the ADS software is now being used as the school accounting system and she will continue to work on this project.

Further discussion is held regarding the types of fundraising that the school does. Mr. Demko notes that there are two major fundraisers that the school does, Cherrydale and funds obtained from vending machine sales. He states that the purpose of the vending sales will need to be determined by the school board.

Ms. McNally expresses concern with the fact that fundraising may not be an issue that should be addressed by the budget committee as it is not funds raised by taxation. She states that she is uncomfortable discussing supplementing fundraising funds for educational needs. Ms. Pingree states that money is being used for student related activities and she suggests that they check the RSA's regarding the activity funds and how funds are spent. Mr. Holden states that there is no accountability of the activity fund funds. He states that no one really knows as to how much of the funds are tax payer funds or funds from fundraising. Ms. Pingree states that Ms. Taylor will continue to work to determine the funds in the activity fund, the purpose of the funds, and where they should be allocated.

Financial Statement through November

Mr. McNally asks about the auditors report. Mr. Demko states that the school has the audit report for 06-07 and 07-08. Ms. Pingree states that the school board needs to review the report. Ms. Taylor states that the 07-08 report is still a draft.

Ms. Taylor presents the financial statement. Departments are reviewed noting overages and she states that they will further review specific lines regarding variances such as retirement, buyout, and new hires.

Encumbrances are explained as anticipated funds allocated to purchase orders.

General discussions are held relative to overages in specific departments as follows:

Dept. 1200~Special Education

Ms. Pingree explains the out-of-district placements. She states that there are currently three out of district placements.

Dept. 1400~Co-Curricular

Ms. Taylor notes that it appears that the Co-Curricular and 1410/Enrichment may have been combined as it appears that the FICA and retirement have been budgeted in 1400 and the salaries are budgeted in 1410.

Additional discussion is held regarding the alternative school, which is under the direction of the SAU. Mr. Demko explains that the funding is done through a grant received by the SAU. He adds that a student is not able to drop out of school now until they are 18 years old. This program may lose the funding and will become a responsibility of the district. Ms. Pingree states that the students are students that may be special ed. and/or have been expelled or could be expelled. Mr. Demko also notes that the SAU manages the SAU, a preschool, and special ed. Ms. Pingree adds that she will find out the actual attendance totals of the alternative school.

Dept. 1410~Enrichment

Ms. Taylor explains that the clubs are paid out closer to the year end similar to athletic stipends, 1420/Athletics.

Ms. Taylor notes that there have been some changes in personnel in 2120/Guidance and 2130/Nurse's departments.

Dept. 2150~Speech

Ms. Taylor states that the invoice may have been paid and not allocated to a purchase order. Mr. Dill compared this year and next year's budgeted amounts and asks about the increase. Mr. Demko states the special ed director budgets per need per student and there is a bill out for services through Medicaid. Mr. Dill asks about the amount of revenue that is anticipated. Mr. Demko states that they will provide this information for the board. He adds that some items are not reimbursed a full 100%.

Ms. Taylor notes that both positions are contracts. The full-time person does receive benefits. The part time person is also working with the preschool.

Dept. 2213~Instructional Staff Training

Ms. Taylor explains that this section is for course work and reimbursements. Ms. McNally asks what this is specific to. Ms. Taylor states that this is an estimate. Ms. Pingree states that the costs are \$200. per course and this is based on past history. She states that this amount is underfunded. Further discussion is held and Ms. Pingree will check to see if there are any other requests in this department.

Dept. 2310~School Board Services

Mr. Johnson asks about the criminal records check, line 2310/5313. Ms. Taylor states that criminal background checks, costs for reference checks, and background checks have increased for both employees and volunteers.

Dept. 2410~Office of Principal

Ms. McNally asks about the FICA, line 5220 decreases. Ms. Taylor will check into FICA for changes.

Dept. 2510~Fiscal Services

Ms. Pingree notes that there was a change in personnel. Mr. Demko notes that that there was a temp service hired 3-4 days a week to cover payroll and billings.

Dept. 2620~Maintenance and Operations

Ms. McNally notes that the courtyard is completed and yet it still shows in this section. Ms. Pingree will check to see if this has been paid. Ms. Taylor notes that currently this department shows positive balance; however, they will keep a close eye on the account as it is early in the winter for fuel lines, etc.

Dept. 2722~Special Education Transportation

Ms. Pingree explains that the amount provided is an average based on one child.

Dept. 5251 Transfer of Capital Reserve

Mr. Demko states that the reason the transfers have not been done is due to the economy. Mr. Demko states that the finance department has met with the treasurer who has asked the school to conserve the cash and therefore, the transfers were not completed.

Revenue Report Food Service Totals

The current appropriation figures are presented by Allen Demko. He reviews the current appropriations and states that the current total is \$7,024,200.74.

Internal Business/Other

• Mr. Holden asks if the school is projecting a surplus in the amount of \$190,000. and if this also includes \$50,000. for warrant articles. Mr. Demko replies yes and states that the tuition at CBNA is a large item. He states that they need to make sure those numbers are exact as possible as it is hard to predict.

• Mr. McNally notes that copies of the Evergreen law have been provided.

• January meeting packets of requested information that were distributed by the school this evening are reviewed for completeness. Additional requests for information are made, including information regarding home schooled students.

Herb Johnson makes a motion to recess to Monday, January 5; at 7:00 p.m. Bob Bailey seconds the motion. The motion passes unanimously 9/0 at 3:10 p.m.

Respectfully submitted,

Lisa Fellows-Weaver
Board Secretary